



On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

## American Recovery and Reinvestment Act Report, Lee County

Lee County received more than \$180 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Lee County total.



**Pell Grants Awards:**  
**2,230**



**Small Business Jobs:**  
**44**

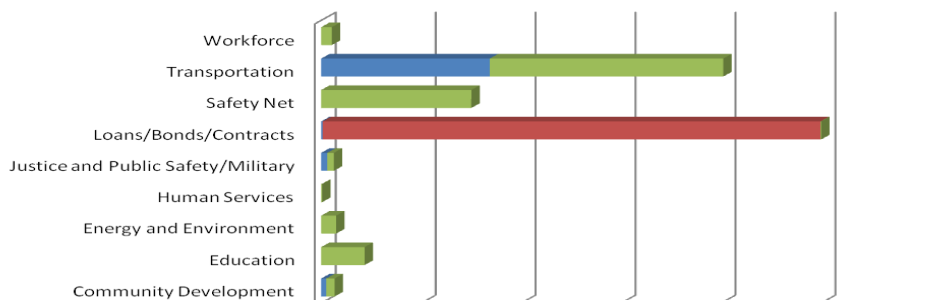


**Appliances rebated:**  
**238**



**Family homes financed:**  
**39**

### Lee County Totals



Sum of Prime Awards Sum of Sub-Awards Sum of Loans/Bonds

**Lee County,**  
pop 49,040 at a glance:

**Recovery Act Totals:**  
Grants: \$ 80,449,631.65  
Loans: \$ 7,776,622  
Bonds: \$ 91,846,064

**Total: \$180,082,317.65**



## Education

The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

**Lee County schools** received \$20 million in education funding, including \$2 million in Special Education funds, \$1 million in Title I funds, \$6 million in SFSF funds, \$1 million in Race to the Top funding and a \$6.6 million bond allocation.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

**In Lee County**, Central Carolina Community College had 2,230 students funded by Pell Grants; these grants were worth almost \$3 million.



## Family Assistance

The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

**In Lee County**, 39 families received assistance through this program totaling more than \$4.5 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North

Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

**Lee County** retailers sold 238 appliances through the Energy Star Appliance rebate program.



## Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

**In Lee County** 5 small businesses received SBA loan guarantees worth \$1.5 million. According to the small businesses receiving these loans, the Recovery Act saved or created 44 jobs.



## Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

**In Lee County**, \$11,435 was received in assistance to farmers because of crop loss to natural disasters.



## CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

**In Lee County**, car dealers sold 150 cars worth \$3.3 million through the ARRA CARS program.



## Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

**In Lee County,** the Lee County Government and the City of Sanford received JAG program grants worth \$1.25 million.

The COPS (Community Oriented Policing Services) awards grants to law enforcement agencies to hire and train community policing professionals, acquire and deploy cutting-edge crime-fighting technologies, and develop and test innovative policing strategies. COPS funding also provides training and technical assistance to community members and local government leaders and all levels of law. In order to help leverage the efficiency of these programs Governor Perdue set aside additional funding to help pay for uniforms and equipment for local governments who have new COPS funded positions.

**In Lee County,** the City of Sanford received 4 new officers were funded through COPS Grants. These grants were worth \$650,000. In addition, the City of Sanford received a grant of \$25,000 from the Governor's Crime Commission to help outfit and equip these new officers.



## Environment and Natural Resources Programs

ARRA funded several programs to protect the environment, or to develop natural resources more efficiently. These programs ranged from environmental clean-up, such as leaking underground storage tank abatement and Brownfields programs, to EPA clean air grants, wildfire prevention grants, and revolving funds to build, expand, or overhaul existing water and sewer programs. These programs provided nearly \$150 million across North Carolina.

**In Lee County,** the City of Sanford received a \$1.8 million grant for drinking water.



## Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency

Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

**In Lee County**, the Lee County Government received an EECBG grant for \$170,000 for lighting improvements, room occupancy sensors in the courthouse, jail and government center, and Lee County Schools, received an EECBG grant of \$413,544 to improve lighting efficiency, upgrade heating and cooling systems and install energy efficient motors for public swimming facilities. Central Carolina Community College, received a grant for \$200,000 for lighting retrofits and heating and air conditioning system upgrades. Sanford received 127,000 to improve lighting for the city hall and the Temple Theatre in downtown Sanford.



## Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

**Lee County** residents received more than \$23.5 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$3.5 million in SNAP benefit increases, and \$2.5 million in one-time payments of \$250 to social security recipients.

## Lee County Feature Story

### Lee County Builds a New High School with Recovery Opportunities

The American Recovery and Reinvestment Act placed a special emphasis on infrastructure projects as a way to immediately impact jobs in the engineering and construction sectors, and as a way to make important, lasting impact in communities. The Recovery Act established several new bond programs with zero or very low interest to allow state, local, and private entities to design construction and renovation projects at the ground level where these projects would have the most impact on a local economy. These bond programs gave the green light to many long-awaited projects across the state, including the development of new libraries, hospital facilities, recreational facilities, the construction of new schools, highways, water systems, and improvements to a host of critical infrastructure. North Carolina entities used more than \$3 billion in Recovery Act bond capacity.

The Recovery Act provided \$24.8 billion in bond authority to states and local governments for school infrastructure through two primary programs: a new Qualified School Construction Bonds (QSCBs) program, and the expansion of the Qualified Zone Academy Bonds (QZABs) program. These are zero-interest, tax credit bond programs to provide a significant cost savings to school districts for construction and improvements. The Qualified School Construction Bond program provides Local Education Authorities with a method of funding construction/repair/renovation of public school facilities or for land acquisition for a public school facility. The Qualified Zone Academy Bonds (QZABs) program provides LEAs with a method of funding school renovation, repairs, training, equipment and other improvements, but not new construction. With the QZAB program, the federal government covers on average, all of the interest on these bonds, thus enabling schools to save up to 50 percent of the costs of these construction/other projects. The interest payment is actually a tax credit, in lieu of cash, provided to financial institutions that hold the bonds. When a school district issues a QZAB, it is like getting 50% of the funds as a grant.



In 2009, Lee County authorized a half-cent sales tax to finance the renovation. With the advent of the American Recovery and Reinvestment Act and the allocation of capacity of the QSCB and QZAB programs, Lee County used the opportunity presented by these Recovery-funded bonds to move forward with the much-anticipated renovation of Lee County High School. The \$20 million dollar renovation is financed by \$10 million in QSCB and QZAB bonds. The interest savings through the special bond programs over the life of the project will be more than \$8 million.

The groundbreaking on the renovation was held on June 3, 2010. Construction on the project has been on-going since mid-2010. The renovated school will host new administrative quarters and a new library along with the two main classroom buildings. The new building will include energy efficiency upgrades to save long-term costs, and add to the comfort of students and staff. The roof is already in place on the renovated high school, and the project's projected completion date is fall of 2012.



## Appendix, Lee County breakout

Federal Agency	Program Title	Recipient name	Recipient role <sup>i</sup>	Prime Amount <sup>ii</sup>	Unique Sub Awards <sup>iii</sup>	Loans	Additional Economic Activity (not counted toward totals) <sup>iv</sup>
	Bonds		P			\$89,261,064.00	
		Sanford	P			\$2,585,000.00	
	Cash for Clunkers		S		\$635,000.00		
	Federal Pell Grant Program	Central Carolina Community College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$4,868,622.00	
Administration for Children and Families	ARRA - Child Care and Development Block Grant	Lee, County Of	S	\$0.00	\$193,338.50	\$0.00	
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$3,717,602.55		
Department of Energy	Energy Efficiency and Conservation Block Grant Program (EECBG)	Central Carolina Community College	S	\$0.00	\$200,000.00	\$0.00	
		Lee, County Of	S	\$0.00	\$170,000.00	\$0.00	
		Sanford, City Of	S	\$0.00	\$60,000.00	\$0.00	
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Lee County Senior Services	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Lee County Senior Services	SV	\$0.00	\$0.00	\$0.00	
Department of Housing and Urban Development	Public Housing Capital Fund Formula (Recovery Act Funded)	Sanford Housing Authority	P	\$1,005,870.00		\$0.00	\$1,005,870.00
Department of Justice	Public Safety Partnership and Community Policing Grants	Sanford, City Of	P	\$650,860.00		\$0.00	\$650,860.00
	Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs	Lee, County Of	P	\$235,700.00		\$0.00	\$235,700.00



	Competitive Grant Program					
				\$263,872.00		\$263,872.00
	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	Sanford, City Of	P	\$87,988.00		\$87,988.00
	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Sanford, City Of	S	\$0.00	\$25,547.00	\$0.00
				\$0.00	\$25,547.00	\$0.00
	Violence Against Women Formula Grants	Haven In Lee County Inc	S	\$0.00	\$30,033.00	\$0.00
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$23,657,481.96	
Department of the Army	No CFDA for Contract type awards	Caterpillar Inc.	P	\$44,457.00	\$0.00	\$0.00
Environmental Protection Agency	Capitalization Grants for Drinking Water State Revolving Funds	Sanford, City Of	S	\$0.00	\$1,807,166.00	\$0.00
Federal Highway Administration	Highway Planning and Construction	D.H. Griffin Infrastructure, LLC	PV	\$0.00		\$0.00
		Narron Contracting, Inc.	PV	\$0.00		\$0.00
			SV	\$0.00		\$0.00
		North Carolina Department Of Transportation	P	\$2,116,024.00		\$0.00
				\$1,371,666.00		\$0.00
				\$1,939,063.00		\$0.00
				\$554,171.00		\$0.00
				\$27,757,178.00		\$0.00
		S.T. Wooten Corporation	PV	\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
		Sanford, City Of	S	\$0.00		\$0.00
Food and Nutrition Service	Child Nutrition Discretionary Grants Limited Availability	Lee County Schools	S	\$0.00	\$32,288.44	\$0.00
Idaho Operations Office	Energy Efficient Appliance Rebate Program		P		\$32,575.00	\$0.00



	(EEARP)					
<b>National Energy Technology Laboratory</b>	State Energy Program	Sanford, City Of	S	\$0.00	\$88,927.00	\$0.00
<b>National Park Service.</b>	No CFDA for Contract type awards	Caterpillar Inc.	P	\$77,939.00	\$0.00	\$0.00
<b>Office of Elementary and Secondary Education</b>	Education for Homeless Children and Youth, Recovery Act	Lee County Schools	S	\$0.00	\$25,185.00	\$0.00
	Education Technology State Grants, Recovery Act	Lee County Schools	S	\$0.00	\$35,673.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Central Carolina Community College	S	\$0.00	\$1,109,508.20	\$0.00
		Lee County Schools	S	\$0.00	\$5,184,482.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Lee County Schools	S	\$0.00	\$943,064.00	\$0.00
	Title I Grants to Local Educational Agencies, Recovery Act	Lee County Schools	S	\$0.00	\$1,289,351.00	\$0.00
<b>Office of Special Education and Rehabilitative Services</b>	Special Education - Preschool Grants, Recovery Act	Lee County Schools	S	\$0.00	\$83,685.00	\$0.00
	Special Education Grants to States, Recovery Act	Lee County Schools	S	\$0.00	\$2,127,737.00	\$0.00
<b>Small Business Administration</b>	Loans	Bright Audiology & Speech Inc.	L			\$420,000.00
		Central Carolina Family Practi	L			\$1,111,000.00
		Lee Tire And Supply Inc	L			\$150,000.00
		Progressive P.O.S. Inc.	L			\$223,000.00
		Unlimited Potential Of Sanford	L			\$250,000.00
		Waterwerks Of Sanford, LLC	L			\$764,000.00
<b>SSA</b>	Social Security Economic Recovery Act	Multiple Individuals	P		\$2,694,250.00	

Payments							
<b>U.S. Fish and Wildlife Service</b>	No CFDA for Contract type awards	Caterpillar Inc.	P	\$62,979.00		\$0.00	\$62,979.00
				\$113,423.00		\$0.00	\$113,423.00
<b>Grand Total</b>				\$36,281,190.00	\$44,168,441.65	\$99,632,686.00	\$49,159,807.91

<sup>i</sup> Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

<sup>ii</sup> Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to [www.federalreporting.gov](http://www.federalreporting.gov)

<sup>iii</sup> Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

<sup>iv</sup> Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.